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From Blockade to Trade: Allied Economic Warfare Against Soviet Russia, June 1919 to January 1920

Since the overthrow of the Provisional Government in Russia by Lenin and his followers, the allied governments had increasingly adopted anti-Soviet attitudes and practices. The Bolsheviks had taken Russia out of the war thus freeing German manpower and materiel for a new offensive in the West. Many allied leaders believed that Germany and Soviet Russia were secretly cooperating and that Germany was on the verge of dominating the economic and political future of Eastern Europe: this would enable Germany to escape the iron grip of the allied blockade. Furthermore, the allies viewed the ideology and emerging institutions and practices of the Soviet government with deep concern and even hatred. For many leaders, Bolshevism was a menace far more serious than Prussian militarism and German expansionism; it was a threat to the very foundations of Western civilization.

Although they were unable to agree on a common and comprehensive policy toward Russia, the allies had adopted a multi-pronged anti-Soviet program. They aided the emerging White movement by giving it political, military, and economic support; they landed sizeable military forces in Russia; and, they implemented a broad program of economic warfare. This warfare encompassed an economic and physical blockade, economic intervention, and the social-political isolation of Soviet Russia. Most of these measures were instituted under the guise of conducting the war against Germany; no war was ever declared, no blockade was ever established. Yet, this massive array of forces — used against an enemy struggling for survival in a country defeated in war, torn apart by revolution and civil war, afflicted with disease, famine, and shortages in almost everything normally necessary to sustain civilized life — nevertheless failed to produce the desired and anticipated result. The Bolshevik regime did not collapse, nor did it fade away as many observers believed it would.

By March 1919 the allied governments concluded that military intervention could not be continued and that the forces in Russia would have to be evacuated. Growing social and economic difficulties, war-weariness, political opposition, as well as the many frustrating and inconclusive aspects of the Russian problem contributed to this change in policy.

While the allies gradually dismantled the formidable controls they had established over their own and other economies of the world, the economic weapon came to be regarded as the only one that could — in conjunction with limited logistical and political support for the White movement — allow them still to prevail over Soviet Russia. Economic war, the allies believed, had contributed greatly to the defeat of the Central Powers; now, as the White armies prepared to launch their last major offensive, they valued it as a relatively inexpensive and bloodless method to contribute decisively to the demise of Bolshevism.

1. The Future of the Blockade

The future of allied economic warfare against Soviet Russia increasingly occupied the highest allied councils as the work on the peace treaty with Germany neared

completion and the conditions under which the allies conducted this war were about to change. Lord Robert Cecil raised the issue during a meeting of the Council of Four on May 9, 1919, on behalf of the Supreme Economic Council. The allied leaders agreed that if Germany accepted the peace terms, all economic restrictions still used against her would be removed. They stipulated, however, that this would not affect the blockade of Bolshevik Russia.¹ This decision did not satisfy the Supreme Economic Council. The United States War Trade Board inquired about what restrictions would be maintained against Soviet Russia and under what authority this would be done. Clarence M. Woolley, who represented the Department of Commerce on the War Trade Board directorate, suggested to Vance C. McCormick, head of the Supreme Economic Council, that only Section V (b) of the Enemy Trading Act, which restricted traffic in Russian currencies, might be available as a means of control. He believed that all other wartime legislation would be revoked once peace was concluded.² The British Foreign Office requested the opinion of the Supreme Blockade Committee, which dealt with economic warfare matters for the Supreme Economic Council, regarding the continuation of the blockade of Soviet Russia "should no improvement in the political conditions of these [Bolshevik-controlled] districts have occurred by then [the time Germany signed the peace]."³ The question was again referred to the Supreme Economic Council. Its French and Belgian delegates proposed that commercial relations with Russia should be renewed only "when the country has a Government offering satisfactory guarantees of liberty and stability." The meaning of this was clear: only a non-Bolshevik government could give such guarantees. The American, British and Italian delegates found this proposal unacceptable as a basis for continuing the blockade. They pointed out that since there was no official blockade and other trade restrictions would soon be lifted, maintaining economic sanctions against Soviet Russia would raise serious technical and legal difficulties after Germany signed the peace treaty.⁴ Since no agreement could be reached, the problem was referred again to the Council of Four.

McCormick and Charles Seydoux, France's delegate to the Supreme Economic Council, wrote the memoranda which expressed the two opposing views of the Supreme Economic Council. McCormick argued that since no formal blockade existed, its continuation would have to depend primarily on domestic legislation regarding imports, exports, and new agreements with the neutral countries. He advised that the latter be allowed to lapse before new ones were negotiated. As far as the United States were concerned, new regulations would have to be adopted to

¹ U.S., Department of State. — Papers Relating to the Foreign Relations of the United States. The Paris Peace Conference, 1919. 13 vols. Washington, D.C. 1942–1947; here vol. 5, pp. 521–522 (cited hereafter as Peace Conference). Present at this meeting were President Woodrow Wilson, Bernard Baruch, John W. Davis, Vance C. McCormick, Herbert Hoover, Lord Cecil, David Lloyd George, Maynard Keynes, Georges Clemenceau, and others.

² U.S., National Archives, Department of State. General Records of the Department of State, Record Group 59, file 661.119/420; Woolley to McCormick, May 17, 1919 (hereafter, State Department documents will be cited as General Records). — Most documents in the 700 (political relations) and 800 (internal affairs) files have been published or are available on microfilm from the National Archives; few documents in the 600 (commercial relations and affairs) file have been published.

³ Supreme Blockade Committee, Minutes of Meetings, a meeting of May 24, 1919, minute 20f and annex 1, in the Hoover Archives, Stanford University.

⁴ Peace Conference vol. 10, pp. 325–326, meeting of June 2, 1919.

maintain any blockade measures. Such special legislation, however, would not be practicable. He doubted that declaring a formal blockade was advisable or even desirable since no state of war existed. He suggested, instead, that adequate controls could be maintained by taking advantage of impediments to trade in the territories contiguous to Bolshevik Russia. If Petrograd were captured, Odessa would be the only port remaining in the hands of the Soviet government. Moreover, Soviet Russia had no credit with other countries. In view of these real difficulties, Soviet Russia would find it extremely difficult to import goods for many months to come even if the allies imposed no restrictions.⁵ Seydoux viewed the situation in a different light. He believed that raising the blockade should not hinge on whether or not Germany accepted the peace terms, but on the "institution in Russia of a steady Government giving adequate guarantees." The allied countries were deeply committed in Russia, and food and raw materials played an important role in their struggle against Bolshevism. If the blockade were abandoned, a detrimental and extremely grave moral effect would become evident in the armies and peoples who were now fighting the Bolsheviks. Raising the blockade, he believed, was tantamount to an "implicit recognition of the Bolshevik regime at the precise moment when the Forces fighting it seem to be at the point of attaining their goal." Furthermore, if trade with Soviet Russia were resumed, an understanding with its authorities would have to be reached since they controlled all trade. This would be against allied policy. Normal trade with Russia could be renewed only if the Bolshevik regime were replaced by a new government; trading with Soviet Russia would benefit only the Bolsheviks and "nothing could further the Bolshevik cause more than such a measure."⁶

The British government also submitted its views to the Supreme Economic Council on June 3, 1919, in a note dealing with the work which lay ahead of the Supreme Economic Council. The Foreign Office reiterated that it was allied policy

"to secure peace, liberty and self-government to the Russian people with a minimum of interference in the internal affairs of Russia. As this cannot be obtained by dealing with the Soviet Government at Moscow, the Allies will continue their military assistance to the anti-Bolshevik forces in Russia with a view to the Government of Kolchak [Kolčák] establishing itself as the Government of all Russia."⁷

Recognizing Kolčák's government would enable the allies to consider "a comprehensive policy for re-establishing normal conditions in Central and Eastern Europe as a whole." Closest coordination and integration of allied military, political, relief, and economic efforts were necessary to accomplish this because "if we do not succeed in averting complete collapse . . . we will suffer immeasurable loss or utter disaster. . . the sooner we organize the more likely are we to stem the flood and the less effort it will cost us." Great Britain's allies were urged to proceed at once in giving relief and economic assistance, and to resume trade with non-Bolshevik Russia and the border states to facilitate the basis for normal conditions. Such a comprehensive program would accomplish this objective and thus give rise to the desire for similar conditions in adjoining territories controlled by the Bolsheviks. Since all of Russia would have to be included in a program of reconstruction, "as and when that country becomes available," the Supreme Economic Council — if supplied with sufficient funds — was

⁵ Ibidem pp. 335–336, doc. no. 174.

⁶ Ibidem pp. 333–335, doc. no. 173, May 30, 1919, "Note on the Resumption of Commercial Relations with Bolshevik Russia."

⁷ Ibidem p. 359, doc. no. 189.

the agency best suited to carry out such a project.⁸ Thus, Great Britain's position was similar to that of France. A reconstructed Russia meant of course a Russia without Bolsheviks, a Russia governed by pro-allied forces. Indeed, there was again cause for optimism among those who believed that the anti-Bolshevik forces would achieve victory. Kolčák, although his offensive had turned into a retreat, was still counted on to play a major role, while General Denikin was just preparing to launch a full-scale assault on the Bolshevik positions from southern Russia. But the allies disagreed as to the extent and the form of the assistance that should be given to Kolčák's government. It was at this point that the United States became a major stumbling block to the allied cause. In the Supreme Economic Council for example, the American delegates correctly pointed out that the British proposals amounted to continuing economic assistance to the anti-Bolshevik forces and an intensification of economic war against Soviet Russia. The heads of state would have to approve any measures and financial appropriations would be required.⁹ In the meantime, subordinate committees of the Supreme Economic Council studied the feasibility and estimated costs of any involvement of the Council in Russia.¹⁰ The Supreme Economic Council accepted the recommendations of the special sub-committee on July 10, 1919, and asked that the heads of state give their approval.¹¹ These final recommendations were more modest than earlier ones; they did not mention implementation. Allied planning was predicated on the anticipation that Petrograd's fall was imminent and that the collapse of the Bolshevik regime was nearer than at any previous time because General Denikin's armies were making good progress toward Moscow and no one yet believed that Kolčák's retreat would turn into a rout.

Before this matter came before the Council of Four, however, Wilson, Lloyd George, Clemenceau, and Baron Makino rendered their decision in regard to the earlier inquiry of the Supreme Economic Council in connection with the future of the blockade of Soviet Russia on June 17. Summarizing the difficulties inherent in the problem the Supreme Economic Council had pointed to the possibility of maintaining all controls until the peace treaty was ratified and to the necessity of refraining from making any announcement that the allies might favor the resumption of trade with Soviet Russia; it suggested, therefore, that the allied governments abstain from

⁸ Ibidem pp. 359–360, doc. no. 189.

⁹ Ibidem p. 361, doc. no. 190; U. S. note concerning the British proposal, June 10, 1919.

¹⁰ For the report of the Food Section, see ibidem pp. 368–369, doc. no. 198; "Allied Economic Policy in Russia," June 14, 1919. The study submitted by the Communications Section stressed the significance of restoring Russia's transportation network especially in view of the intimate ties between the reconstruction of Russia and the restoration of the world economy. Ibidem pp. 407–412, doc. no. 209; Report of the Communications Section, June 1919. The link between the Russian and the world economy was a theme which was heard more frequently as time progressed. A generally realistic report, noting the difficulties of financing the "restoration of Russia," came from the Finance Section. See Supreme Economic Council, Finance Section, Minutes and Documents, II, annex B-1, B-2, and B-3, June 21 and 24, 1919, Hoover Archives. — Eventually, a special sub-committee studied all aspects regarding the potential role of the S.E.C. in Russia. It concluded that although the rehabilitation of Russia was an academic problem at present, the allied governments were urged to continue giving aid to White Russia so that transportation, commerce, and industry could be improved.

¹¹ Peace Conference vol. 10, p. 450, doc. no. 239; "Report of the Sub-Committee on Russia," June 30, 1919.

taking any step which might facilitate such a resumption.¹² During the course of the discussion which followed, Wilson flatly rejected the notion that a legal blockade could be established after peace was made. Lloyd George, however, asked if Germany should be allowed to exploit the commerce of Russia? If he were convinced that the Bolshevik regime would collapse in 1919, "he might be willing to make a special effort." Wilson countered by reading a report he received from General Tasker Bliss: Kolčak was in retreat and the fall of Petrograd was not imminent. Lloyd George was also troubled about the recommendation to suppress any announcement concerning trade with Russia. What would he answer if questioned in Parliament? Wilson said he would reply that no legal barriers existed to trade with Soviet Russia, but that each trader would be on his own.¹³ After this brief exchange the Council of Four answered the Supreme Economic Council's inquiry: "... after the acceptance of the conditions of Peace by Germany, measures are not still to be taken to prevent commodities from reaching Bolshevik Russia ... In addition ... there should be an abstinence from any positive measure or public announcement indicating the resumption of such trade."¹⁴ This disingenuous and temporizing "decision" — which was not even implemented — was characteristic of most allied decisions and actions regarding Russia.¹⁵ One week later, on June 24, Germany accepted the Versailles treaty, and the *Reichstag* ratified it on July 9. The allies lifted the blockade of Germany on July 12, and the War Trade Board announced two days later that trade with Germany could be resumed. In the same breath, however, the Board declared that this renewal of trade relations did not affect the restrictions against trade and communications between the United States and Soviet Russia.¹⁶ Since the economic weapon had become "an integral part of the support to the Omsk Government ... it would have been manifestly absurd, to have permitted unrestrained trade with its opponents."¹⁷ Reality had vanquished legality.

¹² U.S., Department of State. — Papers Relating to the Foreign Relations of the United States, 1919, Russia. Washington, D.C. 1937, pp. 149–151; Note to the Council of Four, June 7, 1919 (cited hereafter as Foreign Relations, 1919, Russia). ¹³ Peace Conference vol. 4, pp. 530–532.

¹⁴ Foreign Relations, 1919, Russia p. 376; letter from Maurice Hankey, secretary to the Council of Four, to McCormick.

¹⁵ Indeed, one day later British naval vessels raided the Kronstadt naval base and inflicted substantial damage to the anchored Soviet fleet. Allied operations in the Baltic Sea in support of the Baltic States and against the Bolsheviks had expanded greatly during the summer of 1919; allied squadrons controlled the Gulf of Finland and, after insistent queries from the Admiralty, the British government admitted the existence of a state of war with Bolshevik Russia and acknowledged that the Royal Navy was authorized to fight "enemy forces by land and sea, when necessary." See Great Britain, Public Record Office. War Cabinet, Cab. 23/15, Meetings of the War Cabinet, no. 588 'A', minute 1, July 4, 1919 (this source is cited hereafter as War Cabinet). For a colorful account of British naval operations in the Baltic Sea during 1919, see GEOFFREY BENNETT Cowan's War. The Story of British Naval Operations in the Baltic, 1918–1920. London 1964, especially pp. 52, 70–71, 84–86; and, EDGAR ANDERSON An Undeclared Naval War. The British-Soviet Naval Struggle in the Baltic, 1918–1920, in: Journal of Central European Affairs 22,1 (1962/1963) pp. 43–78. From July 1 to December 31, 1919, a daily average of about 88 allied naval vessels, most of them from the Royal Navy, patrolled the Baltic Sea and the Gulf of Finland. See BENNETT COWAN's War, appendix A.

¹⁶ U.S., National Archives, Records of the War Trade Board. Record Group 182, War Trade Board Resolution no. 802, July 14, 1919. Other U.S. restrictions dealing with currency exports and financial transactions, except in regard to Soviet Russia, were also withdrawn. General Records, R.G. 59, Records of the East European Division, Policy Books, vol. 1.

¹⁷ General Records 661.1115/40.

Peace with Germany had come and the stature of the Paris conference declined. But no Russian policy was in sight and nowhere was allied disunity, lack of purpose, and inability to respond even to routine matters more pronounced than in the matter of the Russian problem. Winston Churchill put it bluntly:

"The fitful and fluid operations of the Russian armies found a counterpart in the policy, or want of policy, of the Allies. Were they at war with Soviet Russia? Certainly not; but they shot Soviet Russians at sight. They stood as invaders on Russian soil. They armed the enemies of the Soviet Government. They blockaded its ports, and sunk its battleships. They earnestly desired and schemed its downfall. But war — shocking! Interference — shame!"¹⁸

Lord Curzon still pushed for a common allied policy, although Lloyd George and Bonar Law did not believe the allies would respond. Clemenceau was said to have "already written Russia off," while the United States refrained from acting in the light of Kolčák's setbacks. The failure or success of General Denikin's armies depended entirely upon his ability to supply the population under his control; British resources to assist in this were negligible.¹⁹ Curzon still believed that support for Denikin was the best opportunity for the allies. A review of the Russian situation was necessary and could be achieved only on the highest political level so that there might be "at least some hope that the present impasse may be brought to an end, that a policy to which all could adhere may be thought out and accepted, and that the sacrifices . . . to which all have submitted in the cause of a free and recovered Russia will not have been made in vain."²⁰ Although Curzon communicated his views to the other allied governments, no replies were received by the middle of October.²¹

American officials also bemoaned the inability of the allied countries to come to grips with the Russian problem. Basil Miles, chief of the State Department's Russian Division, was dismayed by the lack of a sense of urgency which, he believed, concerned the most pressing problem since the conclusion of the war:

"If we can do nothing for Russia at least we can keep in close association with the Russian people . . . We could send commissions to the various Russian regions, we could have recognized Kolchak, who may still pull through. We must get Congressional appropriations for a general plan to reconstruct Russia economically. We must state squarely where we stand with the Bolsheviks."²²

¹⁸ WINSTON S. CHURCHILL *The World Crisis* [1914–1928]. 5 vols. London 1923–1929; here vol. 5, p. 235.

¹⁹ War Cabinet, Cab. 23/11, Meetings of the War Cabinet, no. 612, August 12, 1919, concerning issues raised by Curzon's memorandum, "Policy Toward Russia," G.T. 7947, and other papers.

²⁰ Great Britain, Foreign Office. — Documents on British Foreign Policy, 1919–1939. First Series. 16 vols. Ed. by E.L. Woodward, R. Butler, *et al.* London 1947–1968; here vol. 3, doc. no. 399; Earl Curzon to Lord Balfour, August 21, 1919 (cited hereafter as British Foreign Policy).

²¹ *Ibidem*, doc. no. 469; minute by W. Selby of the Foreign Office, October 11, 1919. Curzon's comment on that minute: "But if anyone is sanguine enough to believe that this moribund Conference is capable in its death throes of producing a Russian policy, I am not that man. I consider it much more profitable to formulate and pursue our own Russian policy within the limits (financial, political and geographical) open to us and to inform Paris when we have done it."

²² General Records 861.00/5461; "Russia and the Peace Conference," September 9, 1919. Breckinridge Long, Third Asst. Secretary of State, William Phillips, Asst. Secretary of State, Miles and many others in the State Department, still advocated that the U.S. recognize Kolčák. See Miles' letter to Long, September 12, 1919, in Breckinridge Long Papers, General Correspondence, box 55, in the Library of Congress, Washington; and, Robert Lansing's entries into his desk diaries of August 16, October 9, October 20, October 21, October 29, 1919. The last entry, pertaining to

He recommended that the American representatives at Paris be instructed to force the conference to tackle the problem of Russia.²³ Despite such calls for common action, the United States continued to disengage from Russia. The withdrawal of American and Czech troops from Siberia was approved, but the policy of rendering modest relief to non-Bolshevik Russia continued.

2. *The New Allied Blockade*

Opposition to the Supreme Council's decision to discontinue the blockade came from many quarters. In Great Britain, the Admiralty especially favored its maintenance particularly in the Baltic Sea, where it was feared that Germany and Soviet Russia might commence trading grain for weapons and munitions. On July 4, 1919, Churchill argued the case of the Admiralty before the War Cabinet. Lloyd George admitted that "actually we are at war with the Bolsheviks, but we had decided not to make war . . . we did not intend to put great armies into Russia to fight the Bolshevik forces," and the Cabinet decided that such a state of war existed and that the navy should be allowed to engage enemy forces.²⁴ Sir Henry Wilson, Chief of the Imperial General Staff, also objected strongly to the abandonment of the blockade. He cited the existing state of war and pointed out that the Bolsheviks had difficulties procuring military supplies and that their ability to provide for the civilian population was weakening. Such factors, coupled with military reverses, might bring the speedy downfall of the Soviet regime. He scolded the allied governments for pursuing contradictory policies. While the British government, for example, attempted to improve the economic conditions in southern Russia, a relaxation of the blockade would not only be counterproductive to this policy but, undoubtedly, would prolong the state of anarchy in Russia. Furthermore, how could the abandonment of the blockade be reconciled with the allied promise to send aid to Kolčak? If the Soviet government were able to replenish its diminishing supplies from abroad, they would be used to maintain the Red Army which terrorized the domestic enemies of the regime.²⁵ In an examination of the military situation in Russia the War Office especially stressed economic factors:

"Transportation and economic considerations . . . are gradually reducing this [Bolshevik] advantage. Rolling stock is steadily deteriorating, ammunition is running short, production of all necessities is diminishing, local insurrections are becoming more frequent, in fact, all the various factors which led to the collapse of the Central Powers are operating in favor of the anti-Bolshevik forces. Thus, unless the situation alters, there can eventually be but one end, the complete breakdown of the whole Bolshevik machine from economic rather than military causes [my emphasis, N.H.G.]."²⁶

This memorandum, which reflected the views of Churchill and Sir Henry Wilson, also warned of the danger of a Soviet-German combination which might begin at

Phillips' favoring the recognition of Kolčak, Lansing noted: "I still hesitate." See Library of Congress, Manuscripts Division, Papers of Robert Lansing, Desk Diaries. ²³ General Records 861.00/5461.

²⁴ See note 15 above. Churchill stated that this recommendation was made after consultations with the War Office and the Foreign Office.

²⁵ Great Britain, Public Record Office. Records of the Foreign Office, F.O. file 608, Paris Peace Conference, vol. 181, file no. 17277, General Staff Memorandum, "The Effects of the Raising the Blockade of Soviet Russia," July 14, 1919. The memorandum was written, in part, as response to Sweden's inquiry concerning the status of the allied blockade.

²⁶ War Cabinet, Cab. 24/84, G. T. 7785, "Military Situation in Russia," July 24, 1919.

first with economic collaboration but later turn into a military alliance. The writers of the study recommended that the British government increase its influence in, and commercial connections with, South Russia in order to establish a counterpoise to Germany.²⁷

Opinions in the United States government concerning the blockade were divided. Shelton Hale, assistant secretary of the War Trade Board, for example, stated flatly that the blockade produced communism. The allies, he explained, instead of undermining Bolshevism, were actually strengthening it by increasing the misery of the Russian people. The allies should seriously consider Soviet appeals to end the blockade as "evidence that the Soviets were trying to cure themselves," and offer aid to all of Russia because a "better order of things in Russia can result only from the restoration of trade and acquisition by Russia of transportation facilities and other industrial products essential to her economic life."²⁸ Herbert Hoover believed that

"Sooner or later the Bolshevik Government will fall of its own weight or it will have swung sufficiently right to be absorbed in a properly representative government . . . the re-establishment of currency, transportation, the stimulation of production, and the normal flow of distribution, is sheerly a matter of some sort of economic dictatorship, backed by sufficiently large financial and moral support of the Allied Governments."²⁹

Officially, the United States opposed the present blockade; in practice, however, most blockade measures were maintained.³⁰

The White Russian lobby in Paris also protested vigorously against leaving an opening through which Soviet Russia might escape economic strangulation. Referring to the June 17 decision of the Council of Four, Prince L'vov, first head of the Russian Provisional Government after the March Revolution, S.D. Sazonov, Minister of Foreign Affairs in Kolčak's government, and others demanded that the blockade be maintained rigorously. They argued that lifting it was inimical to allied interests and injurious to the anti-Bolshevik movement. Any exports to Soviet Russia would benefit its regime, increase the misery of the population opposed to Bolshevism, prolong the civil war, and continue the reign of terror against all who were opposed to Bolshevism. Only Germany would be able to take advantage of the abandonment of the blockade. The allied governments were urged to maintain strict measures which would prevent the flow of any goods into Soviet Russia by land or sea.³¹ This statement largely reflected the position of the French Government and its *cordon sanitaire* policy.

What renewed the debate concerning the blockade of Soviet Russia and revived the interest of the allies in coming together once more on the Russian problem was Sweden's inquiry of July 1, 1919. Sweden's foreign minister had asked whether or not Great Britain were at war with Soviet Russia and would take steps against a

²⁷ Ibidem.

²⁸ War Trade Board, Records of the Executive Office, Executive Country File 1917—1919, Russia: General, box 43; memorandum of June 16, 1919.

²⁹ American Relief Administration, Documents of the American Relief Administration, European Operations, 1918—1922, vol. 14, pp. 501—503; letter from Hoover to Woodrow Wilson, June 21, 1919, Hoover Archives.

³⁰ See General Records 661.119/434, 436, and 442.

³¹ Copy of a note of July 29, 1919, to Clemenceau, in: *Mémoires de la Conférence Politique Russe*, Hoover Archives, Stanford University.

Swedish merchantman, loaded with agricultural machinery, about to proceed to Petrograd. Sir Coleridge Kennard, Great Britain's envoy at Stockholm, had replied that the ship would probably be intercepted by allied patrols.³²

To resolve the dilemma, Sir William Mitchell-Thompson, the Foreign Office's chief representative to the Allied Blockade Committee, prepared a joint memorandum for the two allied blockade committees to ask the Supreme Council for a definite decision. He pointed out that the inquiries of the neutral countries had to be answered, but that the two committees had only the ruling of the Council of Four. Since neither a formal blockade of Soviet Russian ports in the Black Sea, nor the fall of Petrograd would antedate the lifting of the blockade of Germany, the committees were in an impossible situation. Thus, he asked the Supreme Council to answer the following questions: (1) Were allied nationals free to trade with the Bolsheviks? (2) If not, were neutral traders free to do so? (3) In case both questions were answered in the negative, how were restrictions on trade with Soviet Russia to be enforced? (4) Was it still desirable to announce a local blockade of the Neva ports in view of the continuing hostilities in that area?³³ The British delegation of the Allied Blockade Committee urged that physical controls of the Gulf of Finland be continued and Mitchell-Thompson recommended that any such controls be regularized by informing other countries that all maritime traffic in the Gulf of Finland had to be authorized by the Allied Naval Command there.³⁴

Balfour brought the issue before the Supreme Council, constituted by the heads of allied delegations in Paris, on July 11, 1919. He noted the implications of allowing Sweden and other countries to furnish Soviet Russia with goods while it was fighting

³² Great Britain, Public Record Office. Foreign Office, F.O. 382, Contraband: Russia (hereafter cited as Contraband: Russia) vol. 2199, file no. 97668; Kennard to Foreign Office, July 1, 1919. The Foreign Office did not reply despite several other attempts on the part of the Swedish government to get an answer. Sweden and Denmark also asked the United States. See General Records 661.119/452; Wheeler (Stockholm) to State Department, August 15, 1919; and General Records 161.00/5133; U.S. Embassy (Copenhagen) to State Department, August 30, 1919. That these inquiries from the neutrals added a sense of urgency was indicated by the reactions to Sweden's note. One Foreign Office official stressed that "the time is rapidly approaching . . . when some definite pronouncement must be made." Two developments would make any decision easier: one was that Admiral Kolčak might declare a blockade of Soviet-held Black Sea ports, the other was the fall of Petrograd. The writer suggested that the Allied Blockade Committee (which dealt with problems in the Baltic Sea) should present the problem to the allied governments. William Finlay, a member of the Contraband Department of the Foreign Office, however, noted the difficulties inherent in the situation: "I don't see how we can really prevent trading with Bolshevik Russia unless we are prepared to declare war against them or give them a *casus belli* against us by declaring a blockade. To take the present case I entirely appreciate the difficulty of the Swedish government . . . If we stopped her [the ship] we would have to take Prize Court proceedings, and the foundation of Prize Court proceedings must be that there is a cargo destined for an enemy. So far as I can see there can be no Prize Court proceedings unless we either declare war or proclaim a blockade, if we do neither it seems to me that we cannot prevent neutral ships trading if they desire to trade. It would of course be the right of each country to decide whether such trade be permitted, and something might be done by persuasion." Contraband: Russia vol. 2199, file no. 97668.

³³ Contraband: Russia vol. 2199, file no. 101539 and 102399; joint A.B.C. and C.B.O. note to the Supreme Council. Cf. Allied Blockade Committee, Minutes of Meetings, vol. 15, minute 1951, July 8, 1919, in the War Trade Board files, box 305. Also, Great Britain, Foreign Office, F.O. file 608, Paris Peace Conference, file no. 1294/1/1.

³⁴ Contraband: Russia vol. 2199, file no. 102399; secret addendum to the joint note by the British delegation on "Trade with Bolshevik Russia," July 11, 1919.

"our friends." Since the allies were not at war with Soviet Russia, however, it did not seem possible to declare a formal blockade. Without discussion, the matter was put off until the following day.³⁵ On July 12, Balfour himself moved to postpone the discussion again until the next meeting of the Council.³⁶ Finally, on July 15, the blockade of Soviet Russia was discussed. Clemenceau admitted that the Council members were "considerably embarrassed in dealing with the question." Charles Seydoux summarized the issue and admitted that the recommendations to the Council were opportunistic, but that it was possible to use the continuing hostilities and the allied commitment to Kolčák as pretext for imposing an embargo without declaring a legal blockade. The neutral countries could be told that the allies would regard it as an unfriendly act if they sent supplies to Soviet Russia. Balfour, who was in substantial agreement with Seydoux, pointed out that it was only in the Baltic Sea that the situation had become acute. The White Sea had been provided for, and as far as the Black Sea was concerned, plans for a blockade against Bolshevik-held ports there were in the making. It would be proclaimed by Kolčák and adhered to by the allied countries; but until the Gulf of Finland was blockaded by ice, some measures would have to be taken to prevent trade with Soviet Russia. This could be achieved by notifying the neutral countries that as long as the hostilities in that area continued, allied patrols would insist on turning back merchantmen from the war zone, vessels entering it should not be sunk, captured or handed over to prize courts, but would be told to return to their ports of origin. Clemenceau and Tittoni agreed that Seydoux's proposals might be acceptable for the moment. However, Henry White, the American delegate, balked. He declared that the United States were "extremely sensitive" and, without instructions, he could not assent to stop traffic on high seas during times of peace. Balfour and Clemenceau stressed that a speedy resolution of this question was essential and Clemenceau asked that they be informed of the views of the American government within two days. John Foster Dulles, the other American delegate, pointed out that the reopening of the blockade issue would have to be explained to President Wilson in view of the earlier decision of the Supreme Council.³⁷ White informed Wilson that France, Great Britain, and Italy proposed to notify the neutral countries that sailings to and from ports in the Gulf of Finland

³⁵ Peace Conference vol. 7, p. 102; Meeting of the Heads of Delegations, minute 6, July 11, 1919.

³⁶ Ibidem p. 117, minute 3. An explanation for this move in such an "urgent" matter is found in a letter from Mitchell-Thompson to William Finlay. Mitchell-Thompson noted that if this Addendum to the note were accepted, the blockade of the Gulf of Finland would be the same as that of the North Russian waters, but "we would still be in trouble if any stout-hearted Swede insisted on going on without a permit." His and Balfour's "united ingenuity" would discover some practical means of making the other allies accept the proposal. In a postscript, Mitchell-Thompson explained Balfour's move: "We have just heard that Lansing leaves tonight, and in consequence it is quite possible that A. J. B. [Arthur J. Balfour] will think it desirable to have the discussion at the Council postponed till tomorrow, since Lansing's 'understudy' cannot be more intransigent than his principal!" *Contraband: Russia* vol. 2199, file no. 102715, July 12, 1919.

³⁷ Peace Conference vol. 7, pp. 131–134; Meeting of the Heads of Delegations, July 15, 1919, minute 3. On the matter of the blockade of the Black Sea, Seydoux had suggested at this meeting that Kolčák and Denikin be given one or two destroyers to make the blockade effective. Denikin, who had already a small fleet under his command — many units furnished him by the allies — embarrassed the allies by using this force to blockade the Georgian Republic. Concerning allied control over sailings to North Russia, see *Contraband: Russia* vol. 2194, file no. 112336; copy of a request from the British Admiralty to the Foreign Office, August 5, 1919.

were to be allowed only by permit from the allied naval command, and that they asked America's consent in modifying the decision of June 17 in light of the reasons given. White believed it was dangerous if a group of nations were allowed to control traffic on the high seas "unless by virtue of belligerent rights," and judged that the allies exaggerated the possible benefits to Soviet Russia. He recommended, however, that America's allies be accommodated as far as possible in assisting Kolčák and preventing goods from reaching Soviet Russia.³⁸

Allied planning proceeded. On July 17, the Supreme Economic Council adopted most recommendations of the joint note and drafted a statement for the neutral countries. Mitchell-Thompson wrote that the allied powers endeavored to proclaim a Monroe Doctrine for the newly independent Baltic states. To enforce it, allied naval forces would prevent goods from proceeding to Soviet Russia. The Supreme Economic Council also decided that there was no objection to Kolčák declaring a blockade in the Black Sea.³⁹

Lansing answered within a few days, stating that Wilson could not consent to a blockade before an actual state of war prevailed and that it would not be recognized by the United States.⁴⁰ The Council of Heads of Delegations did not consider Washington's reply adequate. Seydoux declared that America's attitude placed the allies in a very difficult position: the neutral governments wanted to trade with Soviet Russia; this trade would benefit not the needy population but the Bolsheviks with whom the allies were in a virtual state of war. The promise to Kolčák was inconsistent with a policy which permitted trade to be carried on with the Bolsheviks. Balfour also reiterated the difficulties confronting his government. He asked what the League of Nations, were it in existence, would do in such a case: undoubtedly it would declare a blockade as the only weapon at its disposal. Although Washington intimated it would not interfere if they proceeded alone, Clemenceau and Balfour asked what would happen if an American vessel were to carry war materiel to Soviet Russia? At the very least, the United States would have to consent not to allow ships to Soviet Russia.⁴¹

³⁸ General Records 661.119/433; White to Secretary of State for the President, July 15, 1919.

³⁹ Contraband: Russia vol. 2199, file no. 105456. In a letter to Finlay, Mitchell-Thompson, who had two days before stated that "the Gulf of Finland control was perhaps too much to suspect the Americans to swallow right off, after the lamentable decision of the Four on 17th June" now remarked that he hoped "the Yanks will come into line . . . you will observe the delicate reference to the late Monroe in the communication!" He mentioned that the reference to the proposed Black Sea blockade was not for publications of course. Ibidem, file no. 103324; July 17, 1919. Even the Foreign Office was concerned with the extensive implications of Mitchell-Thompson's draft because it went "considerably beyond anything the Allied Governments have yet committed themselves . . ." Ibidem, file no. 105456; Foreign Office telegram no. 1033, July 28, 1919, to Mitchell-Thompson. Comments on his draft indicated that it was a "dangerously worded declaration [and] unacceptable," and conflicted with the Kolčák understanding. Although the allies were willing to secure autonomy for the Baltic nations, the final disposition concerning their political status had not been made. — Cf. HORST GÜNTHER LINKE *Deutsch-sowjetische Beziehungen bis Rapallo*. Köln 1970 = *Abhandlungen des Bundesinstituts für ostwissenschaftliche und internationale Studien* vol. 22.

⁴⁰ General Records 661.119/433; Lansing to White, July 18, 1919.

⁴¹ Peace Conference vol. 7; Meeting of the Heads of Delegations, July 25, 1919, minute 13, pp. 265–267, 300–301. White communicated the essentials of this meeting to Washington on July 26, 1919. See: Foreign Relations, 1919, Russia pp. 153–154; White to Lansing.

Thus, a second note was sent to Washington under Clemenceau's signature:

"It may well be true that where there is no state of belligerency there can be no legal blockade; but they would point out that the situation in Russia and in the Gulf of Finland is at the present moment such as hardly to permit rigid application of rules which in ordinary cases are quite uncontested . . . Russia during this period of transition is not a state but a collection of 'de facto' governments at war with each other and though it is quite true to say that the Allied and Associate Powers are not in a state of belligerency with Russia, it is also true they are involved in military operations with one of these 'de facto' governments and that they are supplying arms and ammunitions to the others. It may not be proper to describe this condition of things as war but it cannot be right to treat it as peace, nor can the international rules applicable to a state of peace be applied without qualification. The case is a special one and must be specially treated.

Every cargo successfully brought through the Gulf of Finland to Petrograd supplies a new instrument to the Bolsheviks for adding recruits to their army. None of it will reach anyone but soldiers and officials. Its distribution will be determined by considerations which are military and not philanthropic. It will not diminish the sufferings of humanity: it will add to them."⁴²

The allies did not want to adopt a plan not acceptable to all and asked the American government to reconsider its position and join in the proposed plan.⁴³

The answer came on August 2, 1919. Appreciating the seriousness of the situation, and having given careful consideration to the arguments presented, Lansing wrote that it was not within the President's constitutional powers to condone a blockade without a declaration of war, which was the prerogative of Congress. But there was a way out:

"The President, therefore, suggests that the so-called neutral governments be approached by the Allied and Associated Governments in a joint note setting forth the facts of the case and the menace to such countries and to the world of any increase in the Bolshevik power, and requesting the neutral governments to take immediate steps to prevent trade and commerce with Bolshevik Russia and to give assurances that such policy will be rigorously enforced in conjunction with other governments which are equally menaced."⁴⁴

Lansing told White confidentially that had Wilson approved the policy suggested by the allies, serious criticism would have come from Congress: the President would have been accused of having overstepped his constitutional rights and of meddling in domestic Russian affairs; with Congress in an unpredictable mood and the treaty of peace with Germany hanging in the balance, Wilson did not want to provide ammunition for new attacks by bringing up this controversial issue. Thus, the American government, while unable to adhere formally to the proposed blockade, nevertheless offered its cooperation with whatever means were at its disposal.⁴⁵

The American reply still caused misgivings among allied officials,⁴⁶ and on August 8 it was discussed. In view of the American refusal to join the allied enterprise, a

⁴² Foreign Relations, 1919, Russia pp. 154–155; White to Lansing.

⁴³ Ibidem, July 27, 1919. A new argument for controls was the assertion that valuable information concerning allied naval operations and deployment would reach the Bolsheviks.

⁴⁴ Ibidem pp. 155–157; Lansing to White, August 2, 1919. Long noted that if a neutral refused to abstain from trade with Bolshevik Russia, "it will publicly place it as an ally of Bolshevism." He doubted that any neutral would refuse. Breckinridge Long Papers, Diaries, entry for August 2, 1919.

⁴⁵ See above, Lansing to White, August 2, 1919. The United States offered to deny clearance papers to American vessels and passports to American citizens.

⁴⁶ Carr had begun to question the blockade's efficacy in view of Kolčak's defeat and what he suspected were German efforts to reach a trade agreement with Soviet Russia. He believed that the principal effect of a blockade would be to deprive Germany of any real competition in Russia. "Would the increased inconvenience caused by the blockade of Soviet Russia outweigh the dis-

decision would have to be delayed, Balfour said. He regretted having to abandon the plan because he was unwilling to undertake anything to which the United States could not agree. Yet the problem still existed. An arrangement was needed to interdict trade with Soviet Russia until the avenues leading to Russia were blocked by ice. After that, the allies would have time to re-examine the whole matter. Tittoni once more raised the question whether a blockade should still not be declared anyway against a regime which had "defied the elementary laws of human society." On moral grounds, Polk stated, he agreed with Tittoni. Yet, the legal problem could not be dismissed, and he suggested that the allies follow Wilson's suggestion. The Council decided to ask the experts to examine the problem of implementing measures equivalent to a blockade.⁴⁷

During a meeting of the allied naval representatives and the Conseil Blocus de l'Orient agreement was reached: the allied governments should conclude treaties with the neutral governments agreeing to the imposition of an embargo on goods to Soviet Russia, enforced by the allies. Such measures should consist of establishing an embargo on goods applicable to all ports and frontier stations, or equivalent measures on vessels and goods; refusing to accept telegraphic or radio messages and mails to or from Soviet Russia; prohibiting the issue of passports to persons intending to go to or come from Soviet Russia; and, preventing banks to transact business with Bolshevik Russia. The neutral countries and Germany should be asked to adopt all measures to which the allies themselves agreed. As soon as agreement was reached with these governments the allied navies should receive precise instructions concerning the enforcement of these measures.⁴⁸

American objections still prevented an early agreement, however. Dulles knew that the proposed scheme had international proportions and implications. He did not believe that the neutral countries and America would willingly subject themselves to allied controls; they had to be alerted to the danger Bolshevism represented — allow-

advantages, German commercial penetration of Russia?" Even if a total blockade were declared, Germany would still be able to resume trade through Lithuania and Finland, and extensive smuggling operations through Poland with the help of Jews. By using all available loopholes Germany would still be able to develop a considerable trade. Great Britain, Foreign Office, file 608, Paris Peace Conference, file no. 16468; "The Blockade of Russia," July 28, 1919. Colonel Baldwin, an important official in the Contraband Department, commented that while the allies and perhaps the neutrals would give assurances to abstain from trade with Soviet Russia, American merchants would be free to trade. Germany, likewise, would be in a good position "with political results which may easily be foreseen." Perhaps the allies should try to prevent only warlike goods from reaching Soviet Russia. Besides, with the establishment of ordinary trade relations, political forces might emerge in Russia which "would forcibly convert the Russians to a more recognized system of Government." Contraband: Russia vol. 2199, file no. 113043, August 8, 1919. Similar views had already been expressed previously by Americans, such as Shelton Hale, on June 16, 1919.

⁴⁷ Peace Conference vol. 7; Council of Heads Delegations, meeting of August 8, 1919, minute 12, pp. 634—635.

⁴⁸ Contraband: Russia vol. 2199, file no. 116071; Waterlow, British representative on the C.B.O. to Foreign Office, August 13, 1919; see also "Interdiction of Commerce of the Ports of Bolshevik Russia," in the War Trade Board files, box 869. For the final recommendation concerning this matter, see appendix A, "Note regarding the Measures to be Taken to Prevent Goods Reaching Bolshevik Russia," August 13, 1919, in Peace Conference vol. 7, pp. 724—725. Commenting on the recommendations of the joint committee meeting, Baldwin said if the advice of the experts were adopted it would mean the "complete isolation of Russia . . ." If the neutral countries and Germany did not agree to the proposed scheme, however, it could not work.

ing aid and assistance to go to Soviet Russia would increase that danger. He did not deem it just to ask the neutral governments to take steps the allies themselves were unable or unwilling to take.⁴⁹ Dulles raised these points during the meeting of the Heads of Delegations on August 19 when the report adopted by the joint meeting of experts was on the agenda. He also pointed out that the American government had no agency to exercise controls over postal and telegraphic communications and that such controls would have to be re-established by Congress. Since prompt action was required, it was undesirable to engage in prolonged negotiations with the neutral governments. They should merely be asked to refuse clearance papers to vessels intending to sail for Soviet Russia. Seydoux insisted, however, that this was not enough. Germany, the delegations decided, should be asked to implement all measures adopted by the allies since such measures were really in her "best interest."⁵⁰ The American delegation still took exception to another aspect of the proposed undertaking: the authority to be exercised by the allied navies was too great. The draft note to the neutral governments was therefore sent back to the Conseil Blocus de l'Orient for revision.⁵¹ Another point to which the American representatives objected was the proviso that "any action taken by a warship of an Allied or Associated Power should be understood to be taken in the name of all the Allied and Associated Powers." Seydoux felt that without this clause it was impossible to act at all. Polk contended that what was proposed still amounted to a full blockade. He suggested that allied naval units should be authorized to turn back only vessels which did not have official and legal clearance papers. Polk and Balfour agreed that neither the American nor the British governments were going to issue such clearance papers, but Polk insisted that stopping a neutral vessel equipped with legal papers was still tantamount to a blockade. Seydoux pointed out that if the United States remained adamant about this point, several Swedish ships destined for Soviet Russia could not be intercepted. Up to this time the British Admiralty note of July 18, warning vessels against entering zones of naval operations, had sufficed. This British declaration, he insisted, should be renewed and publicized by the allied governments. Finally, Polk agreed to "try and find some formula to which the American Government could consent."⁵²

Little progress was made in these torturous negotiations until the end of September. William Phillips, Acting Secretary of State, inquired on September 9: "What progress

⁴⁹ Memorandum by Dulles to Polk, August 18, 1919, in: Frank L. Polk Papers, drawer 78, file 153, Yale University Library, New Haven.

⁵⁰ Peace Conference vol. 7; Council of Heads of Delegations, meeting of August 19, 1919, minute 2, pp. 720–721, 724–725. Concerning the measures to be undertaken, Baldwin stated that as far as Great Britain was concerned all of them were presently in force, but their legal status was doubtful and would have to be sanctioned formally. A discussion of this matter with the British legal authorities brought the following points to light: the action proposed would still be a "pacific blockade," and new arrangements would become necessary; the Defense of the Realm Act would have to be consulted. See Contraband: Russia vol. 2199, file no. 119300.

⁵¹ Peace Conference vol. 7, p. 817, minute 6. Seydoux was chairman of the C. B. O., which included Tracey Lay, American Consul General at Paris, Admiral Knapp, Carr and Fuller from Great Britain, one Italian and one Japanese delegate.

⁵² Ibidem vol. 8, pp. 8–10, meeting of August 29, 1919, minute 10. Polk noted the British were anxious to have the blockade question settled, but he objected because the allied proposal "violated our principles on blockades." Frank L. Polk Papers, Diaries, August 29, 1919, Yale University Library.

on problem of trade with Bolshevik Russia?" He informed Polk that the State Department continued to refuse export licenses to Soviet Russia, but that the legal power of the President to interfere in the export trade under the provisions of the Espionage Act would lapse upon the declaration of peace. The only option open to the government after that date would consist of denying clearance papers and passports. He mentioned that a member of the British Embassy at Washington had "informally expressed the opinion that Great Britain is going to resume trade with Soviet Russia before very long."⁵³ Whether or not this hint was intentional and designed to overcome American vacillation in regard to the blockade of Soviet Russia, or merely expressed a personal opinion, or indicated already the beginning of a re-evaluation of British policy, is obscure. Polk mentioned on September 1 that Lloyd George had indicated to General Bridges, who was on his way to Constantinople and who had talked with Lloyd George, "that it might be better to do business with the Bolsheviks."⁵⁴ Such reports certainly reflected Lloyd George's uncertainty in this matter. Eventually, the American delegation offered a modified text of the blockade note. The British delegation, too, introduced a new formula which retained adequate controls and appeased the Americans: Great Britain would simply restrain neutral vessels from passing through allied check points even if damage claims against the British government were the consequence. André Tardieu consented, while Polk still believed that the entire proposal amounted in fact to a blockade in which the United States, not wanting to create a serious precedent, could not participate.⁵⁵

On September 29 the delegations finally reached agreement, but not before an attempt of the drafting committee to give the allies the authority to enforce the blockade under Article 16 of the League of Nations was vetoed by Polk, who said that the League did not yet exist, and that it might be best, furthermore, to wait until the navigation season opened next year before making a decision. The Council relented and decided that the modified note would be sent to the neutral governments who would be informed only verbally — this was Seydoux's minimum demand — that the present British and French policy of turning back ships bound for Soviet ports in the Gulf of Finland would be continued.⁵⁶

American obstinacy had prevented the formulation of a stronger policy. The United States government refused to declare a formal blockade without a declaration of war, or even a pacific blockade enforced either by authority of the allied governments or the League of Nations; it refused to give the allied navies in the Baltic Sea

⁵³ Foreign Relations, 1919, Russia p. 157; Phillips to Polk, September 9, 1919. Title VII of the Espionage Act of June 15, 1917, empowered the President to declare unlawful certain exports in time of war.

⁵⁴ Frank L. Polk Papers, Diaries, entry for September 1, 1919, Yale University Library.

⁵⁵ Peace Conference vol. 8, pp. 345–348, 366–367, Meeting of the Council of Heads of Delegations, minute 8, September 25, 1919.

⁵⁶ Ibidem pp. 438–440, 452–453, minute 6 and appendices. During a meeting on October 2, 1919, the Council asked Clemenceau, head of the Paris Peace Conference, to address the note to the neutral powers "informing them of the decision of the Council regarding economic pressure to be exercised upon Soviet Russia." Ibidem p. 490, minute 7. Polk sent a detailed summation as well as the revised text of the note to Washington on October 1, 1919. Foreign Relations, 1919, Russia pp. 159–160. For more on the League of Nations justification, see "Observations by the Blockade Note Drafting Committee," September 29, 1919, in: Great Britain, Foreign Office, file 608, Paris Peace Conference, file no. 19245.

instructions which would have made them the executioners of the will of all the allied powers; it objected to any proposal which it deemed to be a violation of principles of international law; and, rejected the idea of threatening the neutral governments that ships of their nationals would be turned back by force if necessary. Nevertheless, the United States had all the while maintained economic restrictions and now endorsed a comprehensive allied policy to effect the economic isolation of Soviet Russia.

On October 7 and 8 the allied note was communicated to all the neutral governments who were also notified verbally that British and French warships in the Gulf of Finland would continue to turn back merchantmen heading for Soviet Russian ports. Marshal Foch, chief of the Inter-Allied Armistice Commission, transmitted the note to the German government. All governments were "invited" to participate in what was a comprehensive international system of economic warfare against Soviet Russia:

"The avowed hostility of the Bolsheviks to all Governments and the program of international revolution which they are spreading abroad constitutes a grave danger to the national security of all the powers. Every increase in the power of the Bolsheviks would increase this danger, and would be contrary to the desire of all peoples who seek to re-establish peace and social order. It is in this spirit that the Allied and Associated Governments, after the raising of the blockade of Germany, did not allow their nationals to resume commercial relations with Bolshevik Russia, these relations, in effect, could not take place except through the medium of the heads of the Bolshevik Government, who, disposing at their will the products and resources which commercial freedom brought them, would thereby derive a considerable increase in their strength and of the tyranny which they are exercising over the Russian population.

Under these conditions, the Allied and Associated Powers request the Government of [here follows the name of the country] to be good enough to take immediately in accord with them the measures indicated below to prevent their nationals from engaging in any commerce with Bolshevik Russia, and to give assurance that they will rigorously execute the following policy:

- (a) refusal of sailing permits to all ships leaving for Russian ports which are in the hands of the Bolsheviks, or which are coming from said ports;
- (b) establishment of a similar measure for all commodities destined to be sent to Bolshevik Russia by any other route;
- (c) refusal of passports to all persons going to or coming from Bolshevik Russia (with the exception of special cases with the understanding of the Allied and Associated Governments);
- (d) arrangement with a view to preventing banks from doing business with Bolshevik Russia;
- (e) as far as possible, refusal by each Government to its own nationals of facilities of communication with Bolshevik Russia by mail, telegraph, or wireless."⁶⁷

Finally, a common allied policy? There was nothing new in this document. It was an attempt to perpetuate, strengthen, and regularize the encirclement of Soviet Russia by attaching the neutral nations, especially Germany, to a plan which, along with efforts to strengthen the border states and aiding the White movement, was the clearest expression yet of an allied Russian policy and continued economic warfare against Soviet Russia. The British government's initiative — which came from its staunchly anti-Bolshevik military establishment and the Foreign Office — to achieve an allied policy was successful only after overcoming great difficulties. The French government did not believe that the plan was strong enough. The United States government, which was no less hostile to the Soviet regime, sought to dilute the joint

⁶⁷ British Foreign Policy vol. 1, appendix G to doc. no. 67.

effort by raising legal and constitutional caveats; it was reluctant, furthermore, to become attached to yet another common enterprise which might restrict its freedom of action. Reports of Denikin's and Judenič's successes against the Red Army, buoying allied hopes that a favorable resolution of the Russian dilemma was within reach, aided the adoption of the allied plan.

Some crucial questions remained unanswered: How long, under what circumstances, and to what degree would the powers abide by the policy and enforce it regardless of whether or not the neutrals adhered to it, irrespective of the prospects of victory of the White armies? Had the military drive of the Whites been successful, this concern would gradually have been obviated by events. In retrospect, however, the allied plan smacked of half-hearted opportunism and ephemera.

3. The Neutrals, the War, Domestic Problems, and the Blockade

Important to the success of the allied plan was the attitude of the northern neutrals and Germany. Reluctant to follow the allied lead, these countries hoped to normalize economic conditions throughout Europe, to reduce internal problems, and to free themselves from the economic tutelage of the allied powers. Opposition to participating in the international blockade was strongest in Sweden and Germany.⁵⁸ The position of the German government was crucial. Germany had been Russia's greatest trading partner before World War I and, as a major industrial and commercial power, Germany needed economic ties with other countries; its interests in Russia were special and traditional. Germany had no official relations with Soviet Russia; the attitude of the government was ambivalent, and the opinion of parties, interest groups, and individuals tended to be polarized on the issue of Soviet Russia and Bolshevism. Germany's political and military weakness, domestic unrest, and relations with the allied powers after the acceptance of the Versailles peace terms, complicated the blockade question.⁵⁹

⁵⁸ For the replies of many of the neutral governments, see *Contraband: Russia* vol. 2200, file nos. 161021, 159599, 153235, 154689, and 165379 and several unnumbered files. The Latin American countries and Spain acceded to the allied request; their decisions, however, did not count for very much since their stake in the economy and future of Russia was negligible. The Swiss government simply stated that all measures requested by the allies were already in force. Finland's answer was similar. Norway replied finally on December 19 by stating merely that no economic relations whatsoever existed with Soviet Russia; Holland's answer of November 14 was almost identical. Denmark's reply of November 6 indicated that all measures requested by the allied governments were already in force. Sweden's government noted on November 5 that all steps had already been taken, although it did not deem it legally justified to enact restrictions for its subjects to enter into commercial relations with citizens of another state.

⁵⁹ E. H. Carr wrote: "The choice between east and west, which was forced on the German Council of People's Representatives within a few hours of the armistice by the offer of two trainloads of Russian grain, was a permanent dilemma of German foreign policy, especially when the choice had to be made from a position of weakness." EDWARD HALLETT CARR *A History of Soviet Russia. The Bolshevik Revolution 1917–1923*. Vol. 3, London 1953, p. 306. For some good insights into the attitude of the German public and many of its prominent citizens and officials, particularly Walter Rathenau, an important industrial leader, and Count Ulrich von Brockdorff-Rantzau, Germany's foreign minister until the middle of 1919 and its first ambassador to Soviet Russia, see Ellis S. Dresel's reports in: *Peace Conference* vol. 12, pp. 82ff. Much information concerning early German attitudes toward Soviet Russia is contained in HERBERT HELBIG's *Die Moskauer Mission des Grafen Brockdorff-Rantzau*, in: *Forschungen zur osteuropäischen Geschichte* 2 (1955) pp. 286–344; see also

On October 9, 1919, Germany received the allied blockade note,⁶⁰ and while the issue was being discussed especially in the press and the *Reichstag*, a Soviet note of October 20 warned the German government not to participate in the blockade as the Soviet government would regard it as a "consciously hostile act".⁶¹ On October 29, 1919, the German government politely and somewhat equivocally refused to participate in the proposed plan.⁶² Had Germany accepted the allied proposal, little political advantage would have accrued, while a potential opening toward Soviet Russia might have been blocked at a time when more and more people came to believe that salvation for Germany rested on closer ties with Soviet Russia. The refusal to submit timidly to the allied scheme was the first time after accepting the peace treaty that Germany did not bow to allied demands. In the opinion of some, this "non-concurrence" was one of the first steps on the "road to Rapallo." At least, "nobody was prepared to prejudice future prospects."⁶³

The responses of the important neutrals did not pose the only problem. In all the allied countries, especially in the United States and in Great Britain, criticism of government policy toward Soviet Russia increased sharply in 1919. Pacifists, socialists, members of trade unions, humanitarians, businessmen and industrialists sought to change their government's commitment in regard to Russia. Much of this clamor

F. C. ZITELMANN *Rußland im Friedensvertrag von Versailles*. Berlin 1920, esp. pp. 2–4 and 33. For Soviet-German economic relations, see GÜNTHER ROSENFELD *Sowjetrußland und Deutschland 1917–1922*. Berlin 1960, chapters 2 and 4 (= *Deutsche Akademie der Wissenschaften zu Berlin. Schriften des Instituts für Geschichte*. Series 1, vol. 8); LINKE *Deutsch-sowjetische Beziehungen* pp. 85 ff.

⁶⁰ Another note delivered on the same day contained an ultimatum to withdraw German troops from the Baltic. Indeed, in order to force Germany to take immediate action on this matter, the Permanent Allied Naval Armistice Commission prohibited German maritime traffic in the Baltic Sea on October 10. Germany was threatened, furthermore, with the prospect that allied food exports would be stopped and that no further credits would be extended. This "little blockade" of Germany was not lifted until October 26. The simultaneous arrival of both notes caused some confusion; they seemed to contradict one another as far as allied purposes were concerned. A "master stroke of blundering," commented the Paris correspondent of the "Manchester Guardian" on October 18, 1919.

⁶¹ *Ministerstvo inostrannykh del SSSR. — Dokumenty vnešnej politiki SSSR*. Moskva 1957 ff.; here vol. 2, p. 265.

⁶² The German cabinet decided on an answer on October 22, 1919. See Germany, *Auswärtiges Amt, Sitzungen des Reichsministeriums: Protokolle*, on microfilm serial 3438H, roll 1667, file no. 743270. For a number of statements regarding Germany's attitude toward Soviet Russia by Foreign Minister Hermann Müller, see his speeches in the *Reichstag*, in: *Nationalversammlung. Stenographische Berichte*. Vol. 330, p. 3409; and, his interview regarding Germany's Eastern policy in "Vossische Zeitung," no. 522/B, October 29, 1919. For the text of Germany's answer to the allied blockade note, see "Deutsche Allgemeine Zeitung," no. 531/A, October 30, 1919. In this note, the German government stated that it shared and recognized the allied concerns regarding Bolshevism. It pointed out, however, that based upon its own experiences, the intended measures were not suited to produce the desired result and that only by reconstructing contacts among peoples could they hope to achieve a mitigation of conditions in Russia.

⁶³ CARR *History of Soviet Russia. Bolshevik Revolution* vol. 3, p. 150; see also CARR *German-Soviet Relations Between the Two World Wars, 1919–1939*. Baltimore 1952, p. 50; and, GERALD FREUND *Unholy Alliance. Russian-German Relations from the Treaty of Brest-Litovsk to the Treaty of Berlin*. With an Introduction by J. W. Wheeler-Bennett. London 1957, p. 50. Already on August 7, 1919, General Malcolm of the British mission in Germany had told the Foreign Office that although there was hardly any contact at all between Germany and Soviet Russia, all classes in Germany were "looking towards Russia for one reason or another." Carr remarked that this was "the clearest and soundest thing I have seen lately." See: *British Foreign Policy* vol. 3, pp. 510–511, enclosure to doc. no. 387.

was stimulated by economic difficulties and social unrest which appeared after the euphoria of victory gave way to the realization that post-war conditions were less than rosy. Frequent parliamentary inquiries in regard to British policy were a constant source of embarrassment and the government's explanations were less than ingenious and satisfactory to the critics.⁶⁴ In England the efforts of anti-Bolshevik groups were balanced eventually by the Labour Party and the "Hands Off Russia" movement which the government, plagued by a plethora of economic problems, strikes, and other indications of social instability, could ignore less and less.⁶⁵ The United States, too, were caught up in many of these problems. Disenchantment with foreign involvement accelerated the growth of isolationism and the election of November 1919 was in many ways a repudiation of Wilson's goals. While the country was caught up in the frenzy of the "Red Scare," the position of the government was challenged by unimpeachable members of Congress and the business community.⁶⁶

There is no conclusive evidence that domestic criticism of the allied policies toward Soviet Russia in general, and the blockade in particular, influenced directly the decision to reconsider the allied policy toward the end of 1919, although both the British and the American governments paid considerable attention to the exhortations of that segment of their business and industrial community which constantly pointed to the economic problems of their countries and their specific branches of industry and commerce. Certainly, such considerations played a vital role, especially when the future economic posture of their countries in Russia was assessed in the light of the ever-present paranoid fear that somehow Germany would win the race for influence in the Russian market and for control of Russia's resources. British business and labor unions in industries which depended upon foreign markets and resources exerted greater leverage in Great Britain than did the same groups in the United States, since America's economy had only a very small interest in Russia before the war, whereas England depended heavily on the importation of reasonably priced raw materials and food stuffs and the exportation of finished goods.

By the time Germany and some of other neutral countries answered evasively or non-committally to the allied proposal,⁶⁷ the fortunes of war had turned decisively

⁶⁴ See especially the debates of the Russian question in the House of Commons, Great Britain, Parliament. Parliamentary Debates (House of Commons). Fifth Series, vols. 119 and 120.

⁶⁵ For the position of the Labour Party on the issue of Russia, see especially WILLIAM P. MADDOX *Foreign Relations in British Labour Politics*. Cambridge 1934, and STEPHEN RICHARDS GRAUBARD *British Labour and the Russian Revolution 1917–1924*. Cambridge 1956 = *Harvard Historical Monographs* vol. 30.

⁶⁶ Voluminous correspondence in the files of the State Department deals especially with trade with Soviet Russia. A central figure in that controversy as well as Bolshevism at home, was Ludwig C. A. K. Martens, who had been appointed ambassador to the United States in March 1919. For a sampling of public opinion in regard to Russia at that time, see LEONID I. STRAKHOVSKY *American Opinion About Russia 1917–1920*. Toronto 1961, and PHILIP S. FONER (ed.) *The Bolshevik Revolution. Its Impact on American Radicals, Liberals, and Labor. A Documentary Study*. 1st ed. New York 1967. The commingling of the Russian question with domestic social and political unrest is made plain in the following works: WILLIAM E. LEUCHTENBURG *The Perils of Prosperity, 1914–1932*. Chicago 1958; ROBERT K. MURRAY *Red Scare. A Study in National Hysteria*. Minneapolis 1955; LOUIS F. POST *The Deportation Delirium of Nineteen-Twenty*. Chicago 1923; and, several state (New York Senate) and federal (U.S. Congress) investigations and hearings.

⁶⁷ Foreign Office officials did not believe that the allied blockade could be successful without Germany's collaboration. One said that the allies should just quietly abandon the matter. Contraband:

against the counter-revolutionary forces in Russia on all fronts. Allied frustration was merely heightened because of this military disaster. Great Britain, strongly engaged in South Russia, decided to cut off all aid by March 1920.⁶⁸ All ambitious plans for trade with non-Bolshevik Russia came to naught. Providing the Russian people with essential goods had been a prominent part of most serious plans to reconstruct Russia.⁶⁹ In the course of the year 1919, Great Britain exported about 17,5 million pounds sterling worth of goods, while the United States shipped \$ 82,5 million worth of civilian and military aid to White Russia.⁷⁰ As late as November 22, 1919, the Supreme Economic Council resolved "that every effort should be made by all nations to help these [South Russian] regions in their work of economic reconstruction in order that they may be able to offer their contribution to the solution of the present world economic crisis."⁷¹ The failure of the White armies obviated all efforts to send aid and relief, to resume trade and the exchange of goods, dashed all schemes to effect reconstruction, hastened the lifting of the blockade, and made even a common allied policy *vis-à-vis* both Russias a less than worthwhile endeavor.

4. From Blockade to Trade

It was David Lloyd George who gradually realigned British policy in the light of the changed conditions: Never a firm believer in the efficacy of either military or economic intervention, disillusioned by the inability of the allied countries to pursue common goals, and confronted with serious economic and social problems at home, he became convinced that a different approach was necessary. Rumors that Lloyd

Russia vol. 2200, file no. 154030. Cecil Harmsworth noted that the German reply was a very "artful document." Ibidem vol. 2199, file no. 150449. W. Hart wrote: "Paris gave the Germans an opportunity, which they have not failed to take, of making some 'digs' at us in their answer." He mentioned that the failure of forceful means might indeed reinforce the notion that "contact with the rest of Europe would be the most effective influence in humanising the Bolsheviks," but was unwilling to speculate concerning the efficacy of that strategem. Ibidem vol. 2200, file no. 154030.

⁶⁸ War Cabinet, Cab. 23/18, Cabinet Conclusions, December 2, 1919, minute 3, in regard to C. P. 225 contained in Cab. 24/94, Lord Curzon's instructions to Sir Halford J. Mackinder, who had just been appointed British High Commissioner in South Russia. Curzon told Mackinder that his mission would be a painful one. Curzon softened the pessimistic tone by stating that "there is . . . no reason to conclude that the wheel of fortune has finally turned in favor of the Bolsheviks' armies and against their opponents . . ."

For the obscure chapter of allied aid to Judenič see the James A. Logan Papers in the Hoover Archives; General Records 861.00/5530; Polk to the Secretary of State, October 30, 1919; and Contraband: Russia vol. 2201, file nos. 143744 and 142851.

⁶⁹ The United States and Great Britain had set up special government-supported agencies to foster trade and the exchange of goods. America's War Trade Board Russian Bureau, Inc., and the British Siberian Supply Company showed the ineffectiveness of allied plans. For an assessment of the British company, see J.D. Gregory's memorandum on Siberia of December 1919 in: British Foreign Policy vol. 3, doc. no. 613.

⁷⁰ Great Britain, Parliamentary Papers, Accounts and Papers, XLIV (1919) and XXXIII (1921), and War Trade Board, Records of the Bureau of Research and Statistics, Russian Division, box 959; also, U.S., Department of Commerce. — Russian-American Trade, 1910–1926. Washington, D.C. 1926. Soviet Russia reported that goods in the amount of 3 million gold rubles (in 1913 values) totaling about 9000 tons, were imported. See: Ministerstvo vnešnej trgovli. — Vnešnjaja trgovlja SSSR za 1918–1940 gg. Statističeskij obzor. Moskva 1960, tables I (p. 13) and IV (p. 17).

⁷¹ Peace Conference vol. 10, pp. 662–723, minute 335. The U.S. were not represented at this meeting of the Supreme Economic Council.

George was toying with the idea of resuming trade with Soviet Russia had reached Washington as early as September. Both tangents of British policy, weakening the Soviet regime economically in order to provoke its downfall or force it to change radically, and resumption of economic relations with it, converged toward the end of 1919. What factor proved decisive is difficult to say at this point.⁷² Lloyd George made the change in the face of strong opposition in his own government and influential political circles. Economic motives certainly played a major role. Sir Bernard Pares, a noted Russian expert, who had just returned from Russia in October 1919, spoke to Lloyd George about his impressions: "I told him a great deal about the Co-operative movement, to which he listened carefully . . . I suggested that if we could trade direct with the co-operators we should be dealing with our friends . . . we could not leave the field open to German influence."⁷³ On November 8, Lloyd George made his famous Guildhall speech without, apparently, consulting with the other members of his cabinet. He dwelled at length on the economic aspects of the Russian situation and cast doubt on the usefulness of allied intervention. The continuation of civil war, he stated, would only devastate Russia and the "prosperity of the world."⁷⁴ On November 13 and 20 he elaborated his policy in the House of Commons, reiterating his desire to effect a settlement which would restore order and constitutional government in Russia and promised that no new course would be adopted without the knowledge of the House of Commons. Asked by Lt. Commander J. M. Kenworthy on November 20 "whether, in view of the policy indicated at the Guildhall on the 8th instant, it is the intention of His Majesty's Government to continue the form of blockade now in force against Soviet Russia during the winter," Lloyd George answered: "It is not proposed that the British Fleet should undertake

⁷² See especially RICHARD H. ULLMAN *Anglo-Soviet Relations, 1917–1921*. 3 vols. Princeton, N.J. 1961–1972, the best monographic work on that subject; also JOHN M. THOMPSON *Russia, Bolshevism, and the Versailles Peace*. Princeton, N.J. 1966 (= *Studies of the Russian Institute*, Columbia University), the most comprehensive work on that subject. Jean Haton, who based his account primarily on secondary sources, claimed that the important element in Lloyd George's change of policy was indeed economic. See JEAN HATON *Une phase décisive de l'histoire des relations anglo-soviétiques après la première guerre mondiale. Les Négociations de Copenhague (Novembre 1919 – Février 1920)*, in: *Revue d'Histoire Diplomatique* 73 (1959) pp. 67–81; here pp. 67–68. Lloyd George himself constantly referred to the dismal state of the world economy and the vital role Russia's raw materials and market would have to assume in any easing of this economic crisis.

⁷³ BERNARD PARES *My Russian Memoirs*. London 1931, pp. 561–562.

⁷⁴ For the text of this speech see the "New York Times," November 9, 1919, p. 5. See also General Records 861.00/5666; ambassador John W. Davis to Lansing, November 15, 1919. Under-Secretary of State Cecil Harmsworth, when asked in the House of Commons on November 5, how long the proposed allied measures against Soviet Russia would be continued, replied that as far as his government was concerned, "it is proposed that these measures — which do not, in fact, constitute a blockade in the legal sense of the term — shall continue until a democratic Government which can be recognized by the Allies has been established in the part of Russia in question." House of Commons, *Parliamentary Debates* vol. 120, col. 1473. A lively discussion of the Russian question followed the same day and on November 17 and 20. Lord Robert Cecil asked Lloyd George to comment on Harmsworth's statement; Lloyd George said he was not familiar with it and would have to study it before answering. *Ibidem* vol. 121, cols. 681–774, 1107. In a later report to the State Department, Davis conveyed his impression that Lloyd George had made Russian policy his "private concern and no member of his government has been willing to dispute this and that his attitude towards the recognition of the Bolsheviks is suspicious." General Records 861.00/5777; Davis to Lansing, November 29, 1919. For a detailed discussion of the scope and impact of the Guildhall speech in England, see ULLMAN *Anglo-Soviet Relations* vol. 2, pp. 304ff.

the patrol of the Baltic in the spring.”⁷⁵ Six days later, the cabinet adopted the position that while war-like goods destined for Soviet Russia should be stopped, “there would be advantages in allowing a ship laden with foodstuffs to pass.”⁷⁶

The gradual softening of the British position, which held out the prospect not only that Great Britain might allow the resumption of trade with Soviet Russia but also might begin formal relations — possibly even political recognition — with it, surprised the American government. Henceforth, the State Department evinced considerable interest in news from Great Britain and watched the new developments carefully and with some anxiety. From Paris Polk reported the change in Lloyd George’s attitude: Great Britain, after completing existing obligations, would terminate assistance to the anti-Bolshevik forces; the time had come to test Bolshevik intentions and to see whether an agreement could be reached with them. According to Lloyd George, the Bolsheviks were “anxious to make peace and were willing to recognize their international obligations.”⁷⁷ Lansing’s last effort as Secretary of State to come to grips with the Russian problem and establish an American policy came as a result of this British initiative. On December 3, 1919, Lansing submitted his thoughts to President Wilson, indicating that a settlement of the crisis was important and that Russia had to be rehabilitated if the world’s economic balance was to be restored. He maintained America’s basic conception that a government which expressed the will of the people and which was capable of meeting its international obligations had to be established. It was an intolerable situation that Russia’s resources should be in the hands of “adventurers and revolutionaries” who strove to destroy democratic institutions. Thus, it was impossible to deal with the Bolshevik regime. Lansing then reviewed what the United States had attempted to do for the non-Bolshevik movement. Based on information which indicated that resistance to Bolshevism was growing in Soviet Russia, Lansing thought it premature to predict the outcome of the civil war and he reiterated his confidence that the “. . . cynical and unmoral opportunism of Lenin and others will not prevail in the end. It was incumbent upon the United States and her allies to create a situation favorable to the rapid movement of events in which these Russian [anti-Bolshevik] forces can come into their own.” He recommended, therefore, an appropriation of \$ 100 million by Congress to a new Russian Bureau to be used as working capital to effect relief, assistance, and the restoration of normal trade relations. Credit could be given to the Russian cooperative societies and local government agencies, for example. “Further sacrifices” were necessary to solve the Russian problem.⁷⁸ Addressing the immediate

⁷⁵ House of Commons, Parliamentary Debates vol. 121, col. 1106. The Cabinet took up these inquiries in the House of Commons and, after rejecting several proposals which still adhered to the earlier program of the government, the Cabinet agreed that “unless there should be some change in the present situation, the blockade should not be re-instituted [after the ice-bound Gulf of Finland should become passable again in the spring].” War Cabinet, Cab. 23/18, Cabinet Conclusions, no. 8, minute 1, November 20, 1919.

⁷⁶ War Cabinet, Cab. 23/18, Cabinet Conclusions, no. 9, minute 1, November 26, 1919.

⁷⁷ General Records 763.72119/8055; Polk to Lansing regarding his conversations with Lloyd George, November 29, 1919. Davis also had extended conversations with the British Prime Minister, yielding similar impressions; see General Records 861.00/5811, Davis to Lansing, December 3, 1919.

⁷⁸ General Records 861.00/5829a; Lansing to Wilson, December 3, 1919; and, 861.00/5845a; Lansing’s cover letter asking Wilson, should he approve his policy, to obtain the needed financial authorization from Congress. I found no answer from Wilson, who, ill since September 1919, was already on bad terms with Lansing.

problem of treating with the British initiative, Lansing outlined America's policy to all diplomatic posts for their guidance. Lansing did not rule out that

"the Bolshevik group will never be forcibly ousted in Russia but will give way gradually to new leaders and thus evolve into a government with which it will be possible to deal. In this eventuality the utmost care will have to be exercised to determine the moment at which such an evolution is so far perfected that recognition or countenance by foreign powers of the resulting government will tend to hasten development along rational lines rather than retard it. It is believed that premature recognition would produce the latter effect by giving encouragement and support to extreme and uncompromising elements which had not been sloughed off."⁷⁹

Lansing did not believe that this evolution, although it may have already begun, was sufficiently advanced to warrant an understanding with the regime at Moscow. In his opinion, "Lloyd George will make a most serious tactical error if he attempts to do so and will incur a grave moral responsibility."⁸⁰ Thus, Lansing and the State Department, while not altogether abandoning hope, now trusted that evolutionary developments rather than force of arms might change Russia's regime. Lansing's economic program, while its operation and timing were not spelled out, might have been conceived as a standby plan to buttress an evolution producing an acceptable government. There was no doubt, however, that the American government clearly dissociated itself from Lloyd George's new policy.

The British government, by now, had broadened its scope and encouraged contact with Soviet Russia in three areas: facilitation of peace negotiations between the Baltic States and Soviet Russia; exchange of prisoners, and resumption of trade.⁸¹ James O'Grady was appointed British representative to conduct the negotiations to effect the release of the prisoners. He had strict instructions to confine himself to that issue, although the blockade question was not excluded from the agenda.⁸² Litvinov did

⁷⁹ General Records 861.00/5828; Lansing to Davis and other embassies, December 4, 1919.

⁸⁰ *Ibidem*.

⁸¹ In December the Food Ministry began negotiations with representatives of the Russian cooperative societies; on December 22, 1919, Curzon recommended resumption of commercial relations between British companies and the cooperative societies. See THOMPSON Russia, Bolshevism . . . pp. 357–358. The Soviet diplomat IVAN MAJSKIJ mentioned that already in early December the Italian government decided to obtain the abrogation of the blockade of Soviet Russia: Vnešnjaja politika RSFSR v 1917–1922 godach. Moskva 1922, p. 75. Cf. XENIA J. EUDIN, HAROLD H. FISHER Soviet Russia and the West, 1920–1927. A Documentary Survey. Stanford 1957, pp. 23–24. According to this source Italian officials contacted Maksim Litvinov, Soviet Russia's chief negotiator in Copenhagen, while negotiations between Italian and Russian cooperative societies' representatives in Rome led to an agreement providing for the shipment of Russian wheat to Italy in 1920. British-Soviet negotiations concerning the exchange of prisoners commenced on November 25, 1919. Great Britain had suggested such an exchange on May 7, 1919, in a radio message to the Soviet government. In October, both parties agreed to negotiate in Copenhagen. See THOMPSON Russia, Bolshevism . . . p. 355. The Soviet government did not hesitate to jump into the breach and take advantage of the opening Lloyd George provided. It greeted the political thaw and dispatched Litvinov, invested with broad powers to effect a general settlement of all outstanding problems, to Denmark. See: Dokumenty vnešnej politiki SSSR vol. 2, *passim*. Some of the more important documents bearing on these early negotiations are translated in JANE DEGRAS (ed.) Soviet Documents on Foreign Policy. 3 vols. London 1951–1953; here vol. 1.

⁸² British Foreign Policy vol. 3, doc. no. 566; Curzon to O'Grady, November 26, 1919. However, Curzon counselled O'Grady to be on his guard and prevent Litvinov from discussing aspects properly belonging to a general peace settlement since a sensitive public would follow very closely every move he made and since the allied governments had been told that the subject of discussion was only the exchange of prisoners. Curzon pointed out that the French ambassador had commented on O'Grady's

indeed raise the blockade issue on November 27 and 28. He suggested, that as part of the exchange of prisoners, Great Britain should remove all obstacles, due to blockade and war, which might impede the return of all Soviet Russian nationals.⁸³ The American envoy, Norman Hapgood, who followed the negotiations very carefully and reported frequently to the State Department, conveyed his impressions and observations to Lansing and President Wilson on November 30. According to Hapgood, the allies had four basic options: give Germany a free hand in Russia, send an army to Moscow, regard the situation as a civil war without taking sides and blockading either party and, recognize the Bolshevik regime. His personal view was that war only strengthened the Bolshevik movement, which would disappear whenever "peace and prosperity" returned to Russia.⁸⁴ On December 2, Hapgood reported that the talks now dealt primarily with commercial relations, and that O'Grady was convinced that the Soviet government's trade monopoly was no obstacle to trade. Once the blockade were ended, merchants would insist on conditions which would result in more freedom to trade, which itself would "put an end to communism;" even more normal political contacts, O'Grady said, "would probably lead to ending or changing communism in Russia."⁸⁵

In the meantime, the negotiations reached an impasse. Litvinov, threatening to break off the talks, presented his government's minimum demands, and Curzon instructed O'Grady to offer a number of concessions to get the negotiations going again: he could even suggest the possibility of raising the blockade.⁸⁶

While these negotiations were going on, the allied heads of state assembled in London in mid-December. As far as Russia was concerned, France and England agreed "to leave Bolshevik Russia, as it were, within a ring fence."⁸⁷ But Litvinov kept bringing up the blockade. No mere declaration that the blockade had been lifted would suffice; the other countries would have to be informed that Great Britain no longer opposed the resumption of economic relations with Soviet Russia. In fact, real peace had to be established to facilitate normal relations and the reconstruction of Russia. Litvinov continued to hold out prospects of profitable British-

alleged remarks that he expected Litvinov to include the blockade and resumption of commercial relations in the discussions. Curzon agreed that the blockade might become a topic but asked O'Grady to seek further instructions when that happened.

⁸³ Ibidem, doc. no. 573; O'Grady to Curzon, November 28, 1919. Curzon instructed O'Grady to assure Litvinov that shipping and other facilities would be made available. Ibidem, doc. no. 581, December 2, 1919.

⁸⁴ General Records 861.00/5798; Hapgood to Lansing and Wilson, November 30, 1919. D.C. Poole, head of the Russian Section, noted on December 2 that he considered the message Hapgood's "swan song" on Russia; Lansing should decide whether or not it was important enough, and Wilson well enough to be shown to the President. Poole recommended that Hapgood's views be considered at least. Apparently, Hapgood was not regarded as being sufficiently tough-minded. Already in August 1919, Long confided to his diary: "Have been much concerned with Norman Hapgood, and his suspected Bolshevik sympathies." He had demanded his recall but was turned down by Wilson. See Breckinridge Long Papers, Diaries, entries for August 23 and 25, 1919.

⁸⁵ General Records 861.00/5880; Hapgood to Lansing, December 2, 1919.

⁸⁶ British Foreign Policy vol. 3, doc. no. 608; Curzon to O'Grady, December 19, 1919.

⁸⁷ For the documentation of this inter-allied conference, see especially British Foreign Policy vol. 2, chapter 2, and War Cabinet, Cab. 23/18, Conclusions of the War Cabinet, no. 13, minutes and appendices, and no. 14, December 12–15, 1919. For a detailed discussion of the Russian dilemma during those few weeks, see ULLMAN *Anglo-Soviet Relations* vol. 2, pp. 312ff.

Soviet commercial relations and invited British industry and finance to make suggestions to the Soviet government to put such relations on a sound footing. Curzon believed, however, that Litvinov's suggestions were an invitation to recognize the Soviet government and raise the blockade. "As such," he wrote, "Litvinov's proposal lies outside the scope of Mr. O'Grady's instructions, and cannot be answered by him."⁸⁸ Although the negotiations resumed, O'Grady reported on January 14, 1920, that another stalemate had developed. He had been unable to accomplish anything since the exchange of prisoners was tied to other issues, notably the resumption of general relations. O'Grady then asked Curzon directly: "Will you agree to raising the blockade and make the necessary representations to [the] Supreme Council . . . as soon as possible?"⁸⁹ Curzon did not have to answer this inquiry because one day after O'Grady's telegram arrived at the Foreign Office, the Supreme Council lifted the blockade on January 16, 1920.

Lloyd George had already concluded that some *modus vivendi* had to be reached with the Soviet government now that it had defeated its opponents and further allied efforts on behalf of the White movement could not be expected. Lloyd George was guided by domestic and foreign considerations to seek a different solution. The Trade Union Congress of December 1919, for example, had moved — impressed by the Soviet government's peace note of December 5 — to call upon the government in no uncertain language to change its policy toward Soviet Russia. Economic experts and technical advisers, whose influence on Lloyd George increased as that of others — Foreign Office officials, for example — declined, told him that British industry and commerce needed Russia's markets, grains, and raw materials; they stressed that the international economy's disequilibrium was caused by Russia's isolation. During the war Great Britain had become too dependent on the United States, with the result that the balance of trade between the two countries was heavily in favor of the latter. Furthermore, this dependence on the United States resulted in abnormally high consumer goods and food prices, expensive credit and shipping costs. Reintegrating Russia into the world economy would restore balance, reduce prices and dependence, and create jobs. There was no doubt in Lloyd George's mind that sooner or later this reintegration would occur. But why should only Germany and perhaps the United States benefit from this? Other problems occupied him as well: how could his government extricate British nationals now in the hands of the Bolsheviks? How could the Soviet military threat be defused? How could Central Europe and other troubled regions be saved from economic and political collapse and be kept from succumbing to Bolshevik propaganda? Lloyd George did not believe that he could, nor did he want to, negotiate a full peace and extend political recognition to Soviet Russia. He would have courted heavy allied resistance and domestic opposition. But restoration of trade with Russia presented itself as an intermediate solution: it would allow Great Britain to compete with Germany in Russia; it would be beneficial to the social and political climate in England; and, it would allow his government to settle some political issues with the Soviet government while publicly adhering to the salient tenets of allied policy.

⁸⁸ British Foreign Policy vol. 3, doc. no. 620; Litvinov's letter to O'Grady, December 22, 1919.

⁸⁹ Ibidem, doc. no. 644; O'Grady to Curzon, January 14, 1920.

Lloyd George seized on ideas and plans which, from time to time, had percolated especially in American and British circles: war, intervention, and economic isolation were sources of strength for the Bolshevik movement which fed on misery, economic dislocation, and desperation; the extremism of the Soviet regime merely reflected such dire conditions. Restoration of normal conditions of life had inevitably to lead to a more compromising, less extreme, and saner government. War and intervention were ending, and the allies had done everything they could for their friends in Russia and had discharged their promises honorably. Trade and a return to normal economic and social life would be the solvent of extremism. Trade's civilizing influence would gradually end misery and degradation and give hope and courage to moderate elements. The return to normalcy in economic and social spheres could have only positive effects on politics: the sheer momentum of economic progress would bring about an alteration in the political climate; more moderate leaders would, bowing to the inexorable and profound forces of the economic solvent, replace the radicals. The legality and sanctity of private property and obligations would be restored; the laws and imperatives of the market place would vanquish extremism; ideological demagoguery and desperate expedients, as every reasonable man knew, would not prevail.

Such ideas and insights informed Lloyd George when he introduced the issue of a "commercial policy toward Russia" during the Paris meeting of the heads of delegations of the allied powers on January 14, 1920. He submitted to them a memorandum written by E. F. Wise on January 6, 1920, concerning "Economic Aspects of British Policy Concerning Russia," a memorandum circulated in the War Cabinet but not discussed.⁹⁰ The means by which Lloyd George planned to implement his new policy of ending Soviet Russia's economic isolation and begin trade was through the Russian cooperative organizations. Lloyd George had arranged for the appearance before the heads of delegations of some of the members of the Supreme Economic Council's Permanent Committee as well as representatives from the foreign branch of the Central Union of Cooperatives. One of them, Alexander Berkenheim, briefly described his organization, large membership, and non-political character; he told Clemenceau that its branches were the only viable commercial organization able to mobilize the exportation of raw materials and grains and facilitate the distribution of

⁹⁰ British Foreign Policy vol. 2, doc. no. 71. Wise was a former official of the Food Ministry and was now Great Britain's chief representative on the Supreme Economic Council and its Permanent Committee, which was established in August 1919 to deal with routine and policy matters and provide continuity between the less and less frequent sessions of the S. E. C. Wise pointed to the past importance of England's trade with Russia and analyzed the effect of Russia's absence from the international economy which he regarded as one of the main causes of the high prices of commodities in the world. Obtaining Russian foodstuffs and raw materials would bring down these prices and alleviate the precarious situation in Central Europe. Wise recommended restoring economic relations with all of Russia while avoiding extending political recognition to the Soviet regime, and seeking ways to stop its propaganda and shipments of arms and munitions from reaching Soviet Russia. He noted that the Bolsheviks were continuing to capture large areas containing raw materials, grains, and rolling stock; and thus would be able to change the internal conditions of Russia. Even if the blockade were maintained, Russia would be able to obtain goods from Germany by land through the Baltic states. The blockade was a "clumsy" and ineffective weapon against Bolshevism; the reconstruction of Russia could not begin before the blockade was raised. Wise believed that the Soviet government regarded the removal of the blockade as vital "and would probably be prepared to agree . . . to any reasonable economic or other conditions that we are likely to impose, and to reopen trading and exchange as rapidly as possible." *Ibidem* pp. 869–870.

imported goods. The Soviet government, whether or not it was willing to sanction such activities, would have no choice because any government wishing to maintain itself in power during time of peace had to allow the exchange of goods. He believed that Russia could be rescued only through economic action. Asked by Lloyd George if in that case trade were the "most effective way of striking a blow at Bolshevism," Berkenheim answered that there was no doubt about that in his mind.⁹¹ Clemenceau, however, failed to see how commercial exchange could be started without involving the Soviet government. Berkenheim admitted there were no guarantees, but he was convinced that the Soviet government had no other choice than to permit the exchange of goods through the cooperatives.⁹² Lloyd George finally urged that the proposed scheme was worth trying: everywhere prices were rising "and this very fact tended to create Bolshevism." He reiterated some of the salient points raised in Wise's memorandum and stressed that what appealed to him in this whole undertaking was the prospect that trade would lead to the fall of Bolshevism: "The moment trade was established with Russia, Communism would go." Francesco Nitti and Clemenceau agreed to establish a committee, to be headed by Wise, to examine the practical details of this "very remarkable proposal." Lloyd George indicated toward the end of the discussion that it would not be necessary to consult the United States.⁹³

The next day the committee worked out the practical details of trading with the Russian cooperatives without recognizing the Soviet government. Its full report was placed before the Council on January 16, 1920. This time Hugh Wallace, the American ambassador, was present.⁹⁴ The committee agreed "that it would be important to be able to trade directly with the Russian peasants in the whole interior of Russia; that would be the best way, were it successful, to ruin Bolshevism . . ." To obtain the agreement of the Soviet government, the allies could argue that trade would provide the Russian population with the goods they needed and which they could not obtain in any other way. Lloyd George declared he was satisfied with the report; Nitti had no comments, and Matsui approved it with the reservation that he would have to obtain his government's formal consent. Wallace stated he would have to consult Washington.⁹⁵ In the afternoon, the allied delegations released the following statement:

"With a view to remedying the unhappy situation of the population of the interior of Russia, which is now deprived of all manufactured products from outside Russia, the Supreme Council . . . decided that it would permit the exchange of goods on the basis of reciprocity between the Russian people and Allied and neutral countries. For this purpose it decided to give facilities to the Russian Cooperative Organizations which are in direct touch with the peasantry throughout Russia so that they may arrange for the import into Russia of clothing, medicines, agricultural machinery, and other necessities of which the Russian people are in sore need, in exchange for grain, flax, etc., of which Russia

⁹¹ British Foreign Policy vol. 2, pp. 871–872. The United States were neither represented at this meeting nor did they receive a copy of Wise's memorandum at this time.

⁹² Ibidem pp. 873–874.

⁹³ Ibidem p. 875.

⁹⁴ For the notes of the meeting of the Heads of Delegations, see ibidem, doc. no. 74, and appendix I. Cf. Permanent Committee, Supreme Economic Council, Minutes and Documents, vols. 2 and 3, in mimeographed form in the Hoover Archives; also Peace Conference vol. 9, pp. 868–870, appendix A.

⁹⁵ Peace Conference vol. 9, pp. 863–866, minute 2 and appendix A. The British documents do not contain the remarks concerning the demise of Bolshevism made by the leaders of the foreign branches of the cooperative movement.

has surplus supplies. These arrangements imply no change in the policy of the Allied Governments towards the Soviet Government.”⁹⁶

Clemenceau was charged with obtaining the approval of the United States. He wrote that past allied policies had failed; therefore, a new approach was to be tried. The note extolled the advantages for the allied countries and Europe’s need for Russian raw materials and foodstuffs. He mentioned that the cooperative leaders were convinced that the new policy was

“the most efficient action which could be taken against the Bolsheviks . . . Now that the defeat of Koltchak and Denikin has robbed the Bolsheviks of the argument that they are fighting for the defense of the revolution and the protection of peasant property, the pressure exercised by the Bolsheviks, to end the state of war, restore normal conditions, and abandon the measures of repression which have no other justification than the state of war itself, will be infinitely strengthened.”⁹⁷

Clemenceau reiterated that the reorganization of commerce was the best way to destroy the extremist forms of Bolshevism. Since no political recognition or relations were involved and inasmuch as the United States had never participated in the blockade, Clemenceau expected Washington’s consent.⁹⁸ On January 19 the Supreme Council approved the dispatch of a note from the cooperatives to Moscow and charged the Permanent Committee with representing the allied governments in the expected negotiations relating to the resumption of trade.⁹⁹ On January 24 the Soviet government permitted the cooperatives to enter into direct commercial relations with foreign firms, individuals, and cooperatives.¹⁰⁰ The allied decision to utilize the cooperatives did not embarrass the Soviet government since they were by this time fully under its

⁹⁶ Ibidem pp. 886–887, “Note Regarding the Decision to Permit the Exchange of Goods on a Basis of Reciprocity Between the Russian People and Allied and Neutral Countries,” January 16, 1920. For the French and British drafts of the note, see ibidem, appendices B and C. Although Curzon knew, of course, that Lloyd George was toying with the idea of resuming trade with all of Russia, he did not learn of the allied note until it was published. The Foreign Office was not involved in the allied decision. See British Foreign Policy vol. 2, p. 911, note 5; also, ULLMAN *Anglo-Soviet Relations* vol. 2, p. 326 *et passim*, in regard to the way in which Lloyd George made this matter his own personal affair without consulting other important agencies or members of his cabinet.

⁹⁷ Peace Conference vol. 9, pp. 924–926, appendix A.

⁹⁸ Ibidem. F. C. Cole commented that the cooperative organizations were under the effective control of the Soviet government and that trade with them would be like trading directly with the Bolsheviks. Poole, while formulating an answer to the allied note, observed that the United States had always believed that resumption of trade was the best method to destroy Bolshevism. He believed that the State Department should raise some objections to the allied undertaking: trade with the cooperatives must not be made at the expense of private enterprise, because trade with just the cooperatives would only strengthen the Bolshevik regime. The United States did not officially reply to the note until March 6, 1920. See U.S., Department of State. — *Papers Relating to the Foreign Relations of the United States, 1920*. Vol. 3, Washington 1936, pp. 703–704; Polk to Wallace and Davis, March 6, 1920. In the meantime the United States’ government was becoming rather dismayed about the manner in which the other allied powers were making decisions without taking the United States into their confidence. See Lansing’s complaint to Wallace on January 19, 1920, General Records 763.72119/8736a. These complaints and suspicions appear less justified when considered against the background of America’s disengagement from the Paris Peace Conference and its low-level representation in inter-allied councils.

⁹⁹ Peace Conference vol. 9, pp. 889–890; Notes of a Meeting of the International Council of Premiers, minute 1, January 19, 1920; and vol. 10, Notes on the thirty-second meeting of the Supreme Economic Council, appendix 326, note of the Permanent Committee. The note was sent January 21.

¹⁰⁰ Ibidem vol. 10, appendix III; cf. *Dokumenty vnešnej politiki SSSR* vol. 2, doc. no. 222; Centrosjuz radiogram to Paris, January 23, 1920.

control.¹⁰¹ After the exchange of preliminary notes, long and complex negotiations commenced which resulted in the gradual dismantlement of most restrictions to trade with Soviet Russia whose economic and, eventually, political isolation was thus coming to an end.¹⁰²

The raising of the economic cordon and all that it implied was a controversial decision. Resistance and criticism appeared very rapidly. Lloyd George had to defend his new policy against critics from the Foreign Office,¹⁰³ the War Office and the Admiralty,¹⁰⁴ and a substantial segment of the public. In a speech before the House of Commons Lloyd George defended his position: "We have failed to restore Russia to sanity by force. I believe we can do it and save her by trade. Commerce has a sobering influence in its operations . . . Trade, in my opinion, will bring an end to the ferocity, the rapine, and the conditions of Bolshevism surer than any other method . . . We must fight anarchy with abundance."¹⁰⁵ Only the Italian government supported Lloyd George's new policy. The French government, very shortly after January 16, voiced its opposition very clearly while becoming even more uncompromising toward Soviet Russia.¹⁰⁶ The United States remained skeptical and aloof.¹⁰⁷ The attitude of all anti-Bolshevik politicians and organizations was, quite under-

¹⁰¹ CARR History of Soviet Russia. Bolshevik Revolution vol. 3, p. 156. Although the cooperative societies were still largely autonomous, the allied decision to lift the blockade hastened their sovietization. Litvinov wrote Ludwig Martens, who was attempting to establish trade relations with the United States: "The Central Union of Russian Cooperatives in Russia is working harmoniously with the Soviet Government, but the foreign representatives of the Russian cooperatives are out of touch with the head office." Soviet Russia. New York; Official Organ of the Russian Soviet Government Bureau, vol. 2, no. 6 (February 7, 1920) p. 144. On January 27 the cooperatives were placed entirely under the direction of the Soviet government and Litvinov became their chief official. When the cooperatives sent a mission to negotiate the details of trade with the S.E.C., Litvinov and Leonid B. Krasin represented the Soviet government. See SIMON LIBERMAN Building Lenin's Russia. Chicago 1945, pp. 109–110, and K[USSIEL] LEITES Recent Economic Developments in Russia. Edited by Harald Westergaard. Oxford 1922, p. 224.

¹⁰² For the story of the progress of the Anglo-Soviet negotiations, which led to the Trade Agreement of March 1921, see especially ULLMAN Anglo-Soviet Relations vol. 3.

¹⁰³ Ibidem, *passim*; and, HAROLD NICOLSON Curzon. The Last Phase, 1919–1925. A Study in Post-War Diplomacy. London 1934, pp. 208–210, 357.

¹⁰⁴ The Admiralty had many objections. For example, it recommended that before the blockade was actually removed, the Soviet Baltic fleet should be destroyed under British supervision. Lord Acton believed that the Soviet government would actually give its consent in order to get the blockade removed. The War Cabinet decided against this proposal, however. See War Cabinet, Cab. 23/20, Meeting of the Cabinet, no. 7, minute 7, in regard to the Admiralty memorandum, G. T. 499, January 23, 1920.

¹⁰⁵ Reported by the London "Times," February 11, 1920.

¹⁰⁶ Prime Minister Etienne-Alexandre Millerand, who had just replaced Clemenceau, reneged on the allied agreement because he believed that dealing with the cooperatives was like treating with the Soviet government. He said the allies must make up their minds "never to have any dealings with the Soviet Government, which must be ostracised for ever, however long it might remain in power . . . The Bolsheviks might be victorious at the present moment, but that was only in appearance." British Foreign Policy vol. 7, doc. no. 16, minute 4, during the inter-allied conference at London, February 19, 1920.

¹⁰⁷ The U.S. government stuck to its belief that any relations with Soviet Russia were futile and inimical to the interests of all civilized governments. On July 7, 1920, the State Department lifted all trade restrictions except for military goods. It announced that this change did not imply recognition. Toward the end of 1920, most currency and financial restrictions had been abolished as well, except for restriction on the importation of Soviet gold.

standably, hostile to the abandonment of the blockade and the resumption of trade.¹⁰⁸ The Soviet government hailed the end of economic isolation, but was only cautiously optimistic regarding prospects for good future relations with the allied countries; it did not diminish its suspicions about the motives which led to the change in allied policy.¹⁰⁹

5. Conclusion

The coming of peace to Europe and the problems of domestic and international reconstruction brought into sharp focus the policy of defeating Soviet Russia by means of continued economic and political intervention. The issue of economic warfare was raised by Great Britain in mid-1919 in an attempt to formulate and fix a common allied policy at the time when the White armies were about to make their last serious effort to win the civil war. Supported by France and Italy, the British government tried to formalize economic warfare and gain the agreement of its allies and the neutral governments to a plan which would have perpetuated Soviet Russia's isolation. More than simple containment or economic pressure was intended; it was tantamount to intervention in the domestic and foreign affairs of the Soviet state. At stake was the reconstruction of a Russia acceptable to the allied powers.

After the allies decided to end military intervention, they believed that economic war and limited support of the anti-Bolshevik movement would help defeat the Soviet regime. The plan for an international blockade encountered difficulties in the United States, Great Britain, and elsewhere. It raised serious questions regarding the legitimacy of the proposed measures and of international law concerning war and blockade, freedom of the seas, and neutral rights; it touched on the legality of executive power to continue wartime measures when no state of war existed; and it addressed the usefulness and advisability of fighting Bolshevism in support of a regime whose stability and prospects were doubtful. The United States, in particular, were a major obstacle to the adoption and implementation of the plan. The allies needed American political and economic support and they had to consider U.S. objections, which diluted the plan and delayed action until it was no longer viable. Germany, the

¹⁰⁸ See: *The New Russia* 1, 5 (London; March 4, 1920) pp. 159–160, and 1, 6 (March 11, 1920) pp. 187–188, for statements made by the “League for the Regeneration of Russia,” and “Responsible Russian Politicians” (for example: Prince L’vov, Pavel Miljukov, etc.). A resolution of the General Congress of Representatives of Russian Industry and Trade, held on May 17, 1920, threatened that no future Russian government would recognize and honor agreements made between any country and the Soviet government. *The Russian Economist* 1, 3 (London; April 1921) pp. 723–724. The “Committee for the Regeneration of Russia” denounced the decision and examined the implications of trade with Soviet Russia in: *The Blockade of Soviet Russia*. New York 1920. Only the representatives of the foreign branches of the cooperative movement were generally satisfied with the turn of events. See numerous comments and writings in “*The Russian Cooperatives News*” (New York), and “*The Russian Co-operator*” (London).

¹⁰⁹ The Soviet government, the Communist Party, trade unions, etc., had been constantly concerned about allied economic warfare. It was variously seen as a device to “strangle Russia by means of a hunger blockade” and as a device to insure Soviet Russia’s complete isolation. V. I. LENIN *Sočinenija*. 4th ed. 45 vols. Moskva 1946–1967; here vol. 30, p. 365, and vol. 28, p. 141. Lenin regarded it as more deadly than other aspects of allied intervention. *Ibidem* vol. 30, p. 292, speech of February 2, 1920.

major neutral nation, refused to participate at all. The defeat of the White forces in November 1919 was, of course, the final blow to allied calculations.

The British initiative — like so many earlier allied attempts — failed to establish a common front against Soviet Russia. The allies were at variance regarding major objectives and the means of achieving them; they suspected each other's motives and often competed directly with one another. Few of their policies and actions were based on adequate knowledge of conditions and events in Russia. The failure of the blockade scheme and the defeat of the White forces eventually led to the lifting of most economic sanctions against Soviet Russia and the restoration of economic and political relations between the Soviet state and the major powers.

Lloyd George's "new economic policy" was but a continuation of the old policy by other means: what had failed through military intervention and economic warfare was to be achieved through trade with the Russian cooperatives without recognizing, or treating with, the Soviet regime. He expected that the imperatives of trade and economics would weaken Bolshevism and, hopefully, lead to its collapse. Lloyd George's new gambit, too, was founded on faulty intelligence and an erroneous assessment of the impact of economic "solvents" designed to promote political change in Russia and solve Europe's post-war economic difficulties. Nevertheless, it was an admission that previous policies had failed and signalled the beginning of the end of Soviet Russia's isolation. The lifting of the blockade meant that a major barrier to commercial and political relations had fallen. The Soviet government was now afforded greater opportunities to divide its opponents, to diminish the prospects for a renewed allied offensive, to consolidate its power, and to initiate the social and economic reconstruction of Russia from the ravages of war, revolution, civil war, and foreign intervention.